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OCT 23 1992

October 22, 1992

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

**BY MESSENGER**

Ms. Donna R. Searcy  
Secretary  
Federal Communications Commission  
1919 M Street, NW, Room 222  
Washington, DC 20554

**Re: FCC GEN Docket No. 90-314/Ex Parte Meetings**

Dear Ms. Searcy:

On October 15, 1992, Robert Kyle, President of kycom, Inc. and I met with Lauren Belvin and Brian Fontes of Commissioner Quello's office, Michelle Farquhar of Commissioner Duggan's office, and Byron Marchant of Commissioner Barrett's office, and also with Chief Scientist Tom Stanley and members of his staff, to discuss kycom's preliminary positions on the Notice of Proposed Rulemaking in the above-referenced proceeding. The attached Draft Outline and viewgraph slides were discussed during each meeting. Please associate copies of these materials in the appropriate docket files of this proceeding.

Yours very sincerely,



Lawrence J. Movshin

LJM/att  
Enclosures

cc: Lauren Belvin, Esq.  
Dr. Briant Fontes  
Michelle Farquhar, Esq.  
Byron Marchant, Esq.  
Dr. Thomas Stanley

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**Presentation to the FCC**

**October 15, 1992**

**kycom's Positions on PCS Rule Making**

**By**

**kycom, Inc.**

**A Wireless Telecommunications Company**

- **Small Business**
- **Organized to Provide PCS Service in California**
- **Mission: Provide Low-Priced PCS Service To  
Large Percentage of Market Area Population**
- **Residential, Business, Shopping Malls, Schools, Airports**
- **Licensed for Market Trials in San Jose and Fullerton**
- **Experienced Management**
- **Have Financing Arrangements for Large Infrastructure Costs**

- (1) Speed of Deployment**
- (2) Diversity of Services**
- (3) Competitive Delivery**
- (4) Universality**

**Recommend "Super Counties"**

- **Counties Greater than 500,000 Population**
  - **Use County Boundaries for Service Areas**
- **Counties Less than 500,000 Population**
  - **Combine Counties Until Population Exceeds 500,000**

- **San Jose**
  - **San Francisco Basic Trading Area**  
**6.5 million population**
  - **Santa Clara County**  
**1.5 million population**
- **Los Angeles**
  - **Los Angeles Basic Trading Area**  
**14.8 million population**
  - **Los Angeles County**  
**8.9 million population**

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## Arguments in Favor

- **Universality: A National Service Area Will Set a U.S. Standard**
  - A Single National Service Area Would Do This
  - Standard Best Achieved Objectively Thru Standards-Making Body, Not by Company with Most Money
- **Efficiency: Only a Very Large PCS System Is Efficient**
  - Basic Unit of Telephone Service Is Pop. Covered By Switch
  - Typical Switch Covers 60,000 Subscribers in Metro Area
  - Fits Nicely with Proposed Service Area of 500,000+
- **Speed of Deployment: Processing Time at FCC would Be Shorter**
  - 450 Super Counties Compares with 487 BTA's
  - Much Less than 734 Cellular Service Areas
  - A Second Round of Negotiations Will Be Required
- **Consolidation: Service Areas Inevitably Expand Thru Mergers**
  - True Only After Initial Deployment of System
  - Rapid Deployment Requires Many Working in Parallel

### Arguments in Favor

- **Speed of Deployment**
  - **Many Small Companies Working in Parallel with Large Companies for Rapid Implementation of PCS**
- **Diversity of Services**
  - **Many Services Offered within a Compatible Network**
  - **Limited Only By the Imagination of U.S. Entrepreneurs**
- **Competitive Delivery**
  - **Competition from Wide Spectrum of Diverse Companies**



- **Collectively Can Install PCS Infrastructure Most Quickly**
- **FCC Historically Relies on Local Entrepreneurs to Develop New Markets**
  - **Paging**
  - **SMR's**
  - **Cellular**
  - **Cable**
  - **Wireless Cable**
  - **Broadcast Media**
- **Should Not Be Precluded from Participating or Frightened Away**

- **Set Aside One of Three Licenses in Each Area for Small Business**
- **But a Small Business Must Meet Minimum Requirements:**
  - (1) Independent Company with Less than 100 Employees**
  - (2) Have Experience Operating Under an FCC License for a Public or Private System**
  - (3) Provide with Application a \$1 million Cashiers Check (Refundable if License Is Not Awarded)**

- **Discouraging Speculation**
  - **Speculators Cost the Public Money**
- **Simple Requirements that Will Control Speculation**
  - (1) **If License or Owning Company Is Sold Within 2 Years, License Is Forfeited**
  - (2) **If at least 0.5% of population covered is not subscribing to Service within 2 years the License Is Forfeited**
  - (3) **All Participants in Licensing Process, whether Small or Large, Must Submit \$1 million (Refundable) Deposit**